

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 1006) to amend the Lacey Act Amendments of 1981 to further the conservation of certain wildlife species.

There being no objection, the Senate proceeded to consider the bill.

Mr. ENSIGN. I ask unanimous consent that the Inhofe amendment at the desk be adopted, the bill, as amended, be read the third time and passed, the motions to reconsider be laid upon the table en bloc, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2215) was agreed to, as follows:

On page 2, strike lines 11 through 14 and insert the following:

“(g) PROHIBITED WILDLIFE SPECIES.—The term ‘prohibited wildlife species’ means any live species of lion, tiger, leopard, cheetah, jaguar, or cougar or any hybrid of such species.”

On page 3, line 1, strike “live animal of a”.
On page 3, strike lines 20 through 22 and insert the following:

“(A) is licensed or registered, and inspected, by the Animal and Plant Health Inspection Service or any other Federal agency with respect to that species;

On page 4, line 12, insert “listed in section 2(g)” after “animals”.

On page 4, line 14, insert “listed in section 2(g)” after “animals”.

On page 5, line 3, strike the quotation marks and the following period.

On page 5, between lines 3 and 4, insert the following:

“(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out subsection (a)(2)(C) \$3,000,000 for each of fiscal years 2004 through 2008.”

The bill (H.R. 1006), as amended, was read the third time and passed.

PRESERVING INDEPENDENCE OF FINANCIAL INSTITUTION EXAMINATIONS ACT OF 2003

Mr. ENSIGN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 1947, which was introduced earlier today.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1947) to prohibit the offer of credit by a financial institution to a financial institution examiner, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. HATCH. Mr. President, I rise to join my friend and distinguished colleague, Senator LEAHY, in the introduction of the Preserving Independence of Financial Institution Examiners Act of 2003. This bill modifies two criminal statutes, sections 212 and 213 of title 18 of the United States Code, which impose criminal penalties on bank examiners who are offered, or who accept, a loan or gratuity from a financial institution they are examining. These revisions are needed to reflect the changes in our national banking system.

When originally enacted, the criminal statutes were designed to ensure that bank examiners were not subjected to undue and improper influences from the subject banks. With the increased consolidation and globalization of the banking industry, it is difficult in today's banking economy for examiners, particularly those who examine credit card banks, to obtain nationally available credit cards. The statutes, which were originally enacted in 1948, include no exception for routine, ordinary business transactions that were never intended to fall within the ambit of the statutes. The proposed legislation provides an exception to the statutes for bank examiners who hold everyday credit cards and residential home mortgage loans from the banks they are examining. The exceptions are narrow and the purposes of the statutes to prohibit such conflicts of interest will remain intact.

I want to thank Senator LEAHY for his willingness to address this problem. I urge my colleagues to support this measure and quickly pass it.

Mr. LEAHY. Mr. President, today's passage of the Preserving Independence of Financial Institutions Act of 2003 is an example of solid, efficient bipartisan work on a needed legislative reform. I am pleased to have seen its passage so swiftly through the U.S. Senate and I thank my friend from Utah, Senator HATCH, for his assistance and advice.

The bill provides a logical and necessary modification to important, but outdated, criminal statutes originally written to ensure the objectivity and integrity of financial institution examinations. Sections 212 and 213 of title 18 of the United States Code, first drafted in 1948, appropriately provide criminal penalties for bank examiners who are offered, or who accept, a loan or gratuity from the financial institution they are examining. This bill exempts from the law's reach ordinary credit card and residential home mortgage loans sought and held by bank examiners in their everyday lives.

Several factors supported the proposed blanket credit card and residential loan exceptions. Most important, consolidation within the banking industry made it increasingly difficult for examiners to obtain nationally available credit cards and mortgage loans and for the banking agencies to assign examiners to work.

The Leahy-Hatch bill strictly defines the circumstances under which the exceptions to the criminal statute apply with a keen eye on preserving the independence of financial institution examinations and the original legislative intent of the statute.

I thank Senator HATCH for his assistance in this bill forward and making it possible for bank examiners to engage in arms-length and routine business transactions without fear of prosecution. I also thank our friends in the banking agencies, including the Federal Reserve Bank, the Office of Thrift

Supervision and the Federal Deposit Insurance Corporation for bringing this important issue to our attention.

Mr. ENSIGN. Mr. President, I further ask unanimous consent that the bill be read three times and passed, the motion to reconsider be laid upon the table, with no intervening action or debate; and that any statements relating to this measure be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1947) was read the third time and passed, as follows:

S. 1947

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Preserving Independence of Financial Institution Examinations Act of 2003”.

SEC. 2. OFFER AND ACCEPTANCE OF CREDIT.

(a) IN GENERAL.—Title 18, United States Code, is amended by striking sections 212 and 213 and inserting the following:

“§ 212. Offer of loan or gratuity to financial institution examiner

“(a) IN GENERAL.—Except as provided in subsection (b), whoever, being an officer, director or employee of a financial institution, makes or grants any loan or gratuity, to any examiner or assistant examiner who examines or has authority to examine such bank, branch, agency, organization, corporation, association, or institution—

“(1) shall be fined under this title, imprisoned not more than 1 year, or both; and

“(2) may be fined a further sum equal to the money so loaned or gratuity given.

“(b) REGULATIONS.—A Federal financial institution regulatory agency may prescribe regulations establishing additional limitations on the application for and receipt of credit under this section and on the application and receipt of residential mortgage loans under this section, after consulting with each other Federal financial institution regulatory agency.

“(c) DEFINITIONS.—In this section:

“(1) EXAMINER.—The term ‘examiner’ means any person—

“(A) appointed by a Federal financial institution regulatory agency or pursuant to the laws of any State to examine a financial institution; or

“(B) elected under the law of any State to conduct examinations of any financial institutions.

“(2) FEDERAL FINANCIAL INSTITUTION REGULATORY AGENCY.—The term ‘Federal financial institution regulatory agency’ means—

“(A) the Office of the Comptroller of the Currency;

“(B) the Board of Governors of the Federal Reserve System;

“(C) the Office of Thrift Supervision;

“(D) the Federal Deposit Insurance Corporation;

“(E) the Federal Housing Finance Board;

“(F) the Farm Credit Administration;

“(G) the Farm Credit System Insurance Corporation; and

“(H) the Small Business Administration.

“(3) FINANCIAL INSTITUTION.—The term ‘financial institution’ does not include a credit union, a Federal Reserve Bank, a Federal home loan bank, or a depository institution holding company.

“(4) LOAN.—The term ‘loan’ does not include any credit card account established under an open end consumer credit plan or a loan secured by residential real property

that is the principal residence of the examiner, if—

“(A) the applicant satisfies any financial requirements for the credit card account or residential real property loan that are generally applicable to all applicants for the same type of credit card account or residential real property loan;

“(B) the terms and conditions applicable with respect to such account or residential real property loan, and any credit extended to the examiner under such account or residential real property loan, are no more favorable generally to the examiner than the terms and conditions that are generally applicable to credit card accounts or residential real property loans offered by the same financial institution to other borrowers cardholders in comparable circumstances under open end consumer credit plans or for residential real property loans; and

“(C) with respect to residential real property loans, the loan is with respect to the primary residence of the applicant.

“§213. Acceptance of loan or gratuity by financial institution examiner

“(a) IN GENERAL.—Whoever, being an examiner or assistant examiner, accepts a loan or gratuity from any bank, branch, agency, organization, corporation, association, or institution examined by the examiner or from any person connected with it, shall—

“(1) be fined under this title, imprisoned not more than 1 year, or both;

“(2) may be fined a further sum equal to the money so loaned or gratuity given; and

“(3) shall be disqualified from holding office as an examiner.

“(b) DEFINITIONS.—In this section, the terms ‘examiner’, ‘Federal financial institution regulatory agency’, ‘financial institution’, and ‘loan’ have the same meanings as in section 212.”.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections of chapter 11 of title 18, United States Code, is amended by striking the matter relating to sections 212 and 213 and inserting the following:

“212. Offer of loan or gratuity to financial institution examiner.

“213. Acceptance of loan or gratuity by financial institution examiner.”.

AMERICAN DREAM DOWNPAYMENT ACT

Mr. ENSIGN. Mr. President, I ask unanimous consent that the Banking Committee be discharged from further consideration of S. 811 and the Senate now proceed to its immediate consideration.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 811) to support certain housing proposals in the fiscal year 2003 budget for the Federal Government, including the downpayment assistance initiative under the HOME Investment Partnership Act, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. SARBANES. Mr. President, we spend a lot of time talking about homeownership, both in the Banking, Housing, and Urban Affairs Committee and back in our States. I want to spend just a moment reminding everyone why some of us put so much effort into achieving this very important goal for so many American families.

Homeownership is an asset-building engine for families and neighborhoods,

indeed for society as a whole. When a family buys a home, they are buying more than bricks and mortar. They are buying into a community. With each homeowner, we create another anchor in a neighborhood, another advocate for better schools, safer streets, and small business development.

Expanding homeownership, particularly in struggling areas, will help replace the vicious cycle of decline that we see in some neighborhoods with a virtuous cycle of wealth accumulation and economic growth. Once you own a home, you are able to build equity, equity that can be used to send your children to college, finance your retirement, and serve as a needed reserve to protect against emergencies.

Increasing homeownership, and especially minority homeownership, has long been a national goal. In fact, the Joint Center for Housing Studies at Harvard points out that the 1990s was a period of significant growth in minority homeownership and in mortgage lending to minorities. Unfortunately, over the last few years, we have seen that progress level off as the economy has cooled down.

Today, we bring before the Senate S. 811, the American Dream Downpayment Assistance Act, originally introduced by my colleague on the Banking Committee, Senator ALLARD. This bill authorizes \$200 million for a downpayment assistance program targeted to first time, low-income homebuyers. I support this legislation, and I appreciate the efforts of the Senator from Colorado, as well as Chairman SHELBY. I also note that the bill includes important provisions to expand the supply of affordable rental housing. Senator CORZINE amended the bill to raise the FHA multifamily loan limits to account for the rising costs of producing rental housing. This amendment will facilitate the annual construction of up to 6,000 units of multifamily housing affordable to working families around the country. This is an important contribution to the legislation we are considering.

Likewise, Senator JOHNSON has contributed a provision to make the FHA single family adjustable rate mortgage, ARMs, insurance program more effective. ARMs are an important tool in helping families achieve homeownership, and the Johnson amendment will be a welcome addition to the FHA program.

Finally, I would like to thank Senator STABENOW for bringing to the attention of the committee the special needs of a growing segment of our population, families headed by grandparents. The legislation includes an amendment that will create a demonstration program to examine how existing HUD programs can better serve these families. It also requires HUD to study ways in which barriers to existing programs for these families may be reduced.

Again, I want to thank Chairman SHELBY, as well as Senators ALLARD

and REED, chair and ranking member of the Housing Subcommittee, for all their work on this legislation and for their willingness to work in a bipartisan way to produce a good final product. I also want to thank Chairman OXLEY, Ranking Member FRANK, and the other members of the House Financial Services Committee for their contributions to this process and this product.

I support passage of the American Dream Downpayment Assistance Act and urge it passage.

Mr. ENSIGN. I ask unanimous consent that the substitute amendment at the desk be agreed to, the bill, as amended, be read the third time and passed, the motion to reconsider be laid upon the table, and any statements related to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2216) was agreed to.

(The amendment is printed in today's RECORD under "Text of Amendments.")

The bill (S. 811), as amended, was read the third time and passed.

EXTENSION OF NATIONAL FLOOD INSURANCE PROGRAM

Mr. ENSIGN. I ask that the Chair now lay before the Senate the House message to accompany S. 1768.

The Presiding Officer laid before the Senate the following message:

Resolved, That the bill from the Senate (S. 1768) entitled "An Act to extend the national flood insurance program", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Flood Insurance Program Reauthorization Act of 2004".

SEC. 2. EXTENSION OF PROGRAM.

(a) *EXTENSION.*—The National Flood Insurance Act of 1968 is amended as follows:

(1) *AUTHORITY FOR CONTRACTS.*—In section 1319 (42 U.S.C. 4026), by striking "December 31, 2003" and inserting "March 31, 2004".

(2) *BORROWING AUTHORITY.*—In the first sentence of section 1309(a) (42 U.S.C. 4016(a)), by striking "December 31, 2003" and inserting "the date specified in section 1319".

(3) *EMERGENCY IMPLEMENTATION.*—In section 1336(a) (42 U.S.C. 4056(a)), by striking "December 31, 2003" and inserting "on the date specified in section 1319".

(4) *AUTHORIZATION OF APPROPRIATIONS FOR STUDIES.*—In section 1376(c) (42 U.S.C. 4127(c)), by striking "December 31, 2003" and inserting "the date specified in section 1319".

(b) *EFFECTIVE DATE.*—The amendments made by this section shall be considered to have taken effect on December 31, 2003.

Mr. ENSIGN. I ask unanimous consent that the Senate concur in the House amendment, the motion to reconsider be laid upon the table, and that any statements related to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.